



ADMINISTRATION AND  
MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE  
1950 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1950

JUN 17 2014

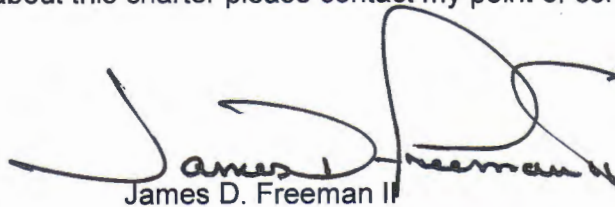
MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT  
GENERAL SERVICES ADMINISTRATION

SUBJECT: Committee Charter and Membership Balance Plan Consultation – Department of  
*Defense Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Department of Defense Board of Actuaries* ("the Board") (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectfully requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.



James D. Freeman II  
Advisory Committee Management  
Officer for the Department of Defense

Attachments  
Proposed Charter  
Proposed Membership Balance Plan

Charter  
Department of Defense Board of Actuaries

1. Committee's Official Designation: The committee will be known as the Department of Defense Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 183 and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Board.
3. Objectives and Scope of Activities: The Board shall provide independent advice and recommendations on matters relating to the Department of Defense (DoD) Military Retirement Fund, the DoD Education Benefits Fund, and other funds as the Secretary of Defense shall specify, as set out in paragraph 4 below.
4. Description of Duties: The Board shall submit to the Secretary of Defense on an annual basis a report on the actuarial status of each of the following funds and, in doing so, shall:
  - a. Review valuations of the DoD Military Retirement Fund in accordance with 10 U.S.C. § 1465(c) and submit to the President and Congress, not less often than once every four years, a report on the status of the Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
  - b. Review valuations of the DoD Education Benefits Fund in accordance with 10 U.S.C. § 2006(e) and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
  - c. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
  - d. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.

The Secretary of Defense shall ensure that the Board has access to such records regarding the DoD Military Retirement Fund, the DoD Education Benefits Fund, and other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183 as the Board shall require to determine the actuarial status of such funds.

5. Agency or Official to Whom the Committee Reports: The Board shall report to the Secretary of Defense and the Deputy Secretary of Defense through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)). The USD(P&R) may act upon the Board's advice and recommendations.
6. Support: The DoD, through the Office of the USD(P&R), shall provide support, as deemed necessary for the Board's performance of its functions, and shall ensure compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as

Charter  
Department of Defense Board of Actuaries

amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.

7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$103,000.00. The estimated annual personnel cost to the DoD is 0.6 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO) shall be a full-time or permanent part-time DoD employee appointed in accordance with established DoD policies and procedures.

The Board's DFO is required to be in attendance at all meetings of the Board and its subcommittees for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO, duly appointed to the Board according to established DoD policies and procedures, shall attend the entire duration of all meetings of the Board and its subcommittees.

The DFO, or the Alternate DFO, shall call all meetings of the Board and its subcommittees; prepare and approve all meeting agendas; and adjourn any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures.

9. Estimated Number and Frequency of Meetings: The Board shall meet at the call of the Board's DFO, in consultation with the Board's Chairperson. The estimated number of Board meetings is one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.
11. Termination: The Board shall terminate upon rescission of 10 U.S.C. § 183.
12. Membership and Designation: The Board shall be comprised of three members who are appointed by the Secretary or the Deputy Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. Their membership shall be renewed by the Secretary of Defense or the Deputy Secretary of Defense on an annual basis.

Board members shall serve for a term of 15 years, except that a member of the Board appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. A member may serve after the end of the member's term until a successor takes office. A member of the Board may be removed by the Secretary of Defense only for misconduct or failure to perform functions vested in the Board.

Board members appointed by the Secretary of Defense or the Deputy Secretary of Defense, who are not full-time or permanent part-time federal employees, shall be appointed as experts

Charter  
Department of Defense Board of Actuaries

consultants under the authority of 5 U.S.C. § 3109 to serve as special government employee (SGE) members, and shall, under the authority of 10 U.S.C. § 183(b)(4), serve with compensation, to include travel and per diem for official travel. A member of the Board who is not an employee of the United States is entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay then currently being paid under the General Schedule of subchapter III of chapter 53 of title 5, United States Code, for each day the member is engaged in the performance of the duties of the Board. Board members appointed by the Secretary of Defense or Deputy Secretary of Defense, who are full-time or permanent part-time Federal employees, shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The DoD shall provide non-voting technical advisors to assist the Board in execution of its duties. The following individuals shall designate one DoD employee from each fund under the Board's purview (the DoD Military Retirement Fund, the DoD Education benefits Fund, and other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183) to serve as a non-voting advisor to assist the Board.

- a. the Under Secretary of Defense (Comptroller)/Chief Financial Officer;
- b. the Assistant Secretary of Defense for Readiness and Force Management, through the Deputy Assistant Secretary of Defense for Military Personnel Policy;
- c. the Assistant Secretary of Defense for Reserve Affairs; and
- d. the Department of Defense General Counsel.

Each Board member is appointed to provide advice to the government on the basis of his or her best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

13. Subcommittees: DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the DoD Sponsor.

Such subcommittees shall not work independently of the Board and shall report all of their recommendations and advice solely to the Board for full and open deliberation and discussion. Subcommittees, task forces, or working groups have no authority to make decisions and recommendations, verbally or in writing, on behalf of the Board. Subcommittees and their members cannot update or report, verbally or in writing, on behalf of the Board, directly to the DoD or any Federal officer or employee.

The Secretary of Defense or the Deputy Secretary of Defense will appoint subcommittee members to a term of service of one-to-four years, with annual renewals, even if the member in question is already a member of the Board. Subcommittee members shall not serve more

Charter  
Department of Defense Board of Actuaries

than two consecutive terms of service unless authorized by the Secretary of Defense or the Deputy Secretary of Defense.

Subcommittee members, if not full-time or permanent part-time Federal employees, will be appointed as experts or consultants, under the authority of 5 U.S.C. § 3109 to serve as SGE members. Subcommittee members appointed by the Secretary of Defense, who are full-time or permanent part-time Federal employees, shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as RGE members. Under the authority of 10 U.S.C. § 183(b)(4), these special government employee members shall serve with compensation, to include travel and per diem for official travel.

All subcommittees operate under the provisions of FACA, the Sunshine Act, governing Federal statutes and regulations, and established DoD policies and procedures.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to Section 2, General Records Schedule 26, and governing DoD policies and procedures. These records will be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).

15. Filing Date:

Membership Balance Plan  
Department of Defense Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 183 and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Board of Actuaries "the Board."
2. Mission/Function: The Board, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), provides the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on matters relating to the DoD Military Retirement Fund, the DoD Education Benefits Fund, and other funds as the Secretary of Defense shall specify, and, in doing so, shall:
  - a. Review valuations of the DoD Military Retirement Fund in accordance with 10 U.S.C. § 1465(c) and submit to the President and Congress, not less often than once every four years, a report on the status of the Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
  - b. Review valuations of the DoD Education Benefits Fund in accordance with 10 U.S.C. § 2006(e) and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
  - c. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
  - d. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.
3. Points of View: The Board shall be comprised of three members from among qualified professional actuaries who are members of the Society of Actuaries.

Board members will be appointed by the Secretary of Defense or the Deputy Secretary of Defense, and their appointments will be renewed on an annual basis. Board members, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants, under the authority of 5 U.S.C. § 3109, to serve as special government employee (SGE) members. Board members, who are full-time or permanent part-time Federal employees, shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the Department

Membership Balance Plan  
Department of Defense Board of Actuaries

through a multidisciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

In addition, the Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: N/A
5. Candidate Identification Process: DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries. The DoD's selection process include the Designated Federal Officer (DFO) requesting recommendations for potential candidates from the Board's professional staff, current or departing Board members, the American Academy of Actuaries, and senior career and political officials within the DoD.

Once potential candidates are identified, the DFO and the Board's professional staff review the credential of each individual and narrow the list of potential candidates. During the review, the DFO and the Board's professional staff strives to achieve a balance between the educational and professional credentials of the individuals and the anticipated subject matters to be reviewed by the Board to achieve expertise in points of view represented and functions to be performed.

Prior to nominating the potential candidates, the list of candidates will undergo a review by the OGC DoD and the Office of the Advisory Board Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and the membership balance plan. Following this review, the USD(P&R) formally nominates the potential candidates to the Secretary of Defense or the Deputy Secretary of Defense for approval. Pursuant to DoD policy, only the Secretary or the Deputy Secretary of Defense can invite or approve the appointment of individuals to serve on DoD established or supported advisory committees and subcommittees.

Following approval by the Secretary or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members who are appointed as SGE members.

The Secretary of Defense or the Deputy Secretary of Defense may approve the appointment of members to the Board, for a 15-year term of service, with annual renewals. Members appointed to fill a vacancy occurring before the term for which the predecessor was appointed shall serve only until the end of such term. A member may serve after the end of the member's term until a successor takes office.

Membership vacancies for the Board and its subcommittees will be filled in the same manner as described in the previous four paragraphs above.

Membership Balance Plan  
Department of Defense Board of Actuaries

6. Subcommittee Balance: DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Committee.

The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members, subject to annual renewals, in the same manner as members of the Board. Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or from new nominees, as recommended by the USD(P&R) and based upon the subject matters under consideration. All subcommittee members must be approved by the Secretary of Defense or the Deputy Secretary of Defense before participating in any subcommittee work.

Subcommittee members, if not full-time or permanent part-time government employees, shall be appointed as experts or consultants, pursuant to 5 U.S.C. § 3109, to serve as SGE members. Those individuals who are full-time or permanent part-time Federal employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as RGE members. Subcommittee members will be appointed to a term of service of one-to-four years and may not serve more than two consecutive terms of service without Secretary of Defense or Deputy Secretary of Defense approval.

7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Final Guidance on Appointment of Lobbyists to Federal Committees and Commissions (76 FR 61756; October 5, 2011) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: